

### **C. Description of the Transactions**

Intelsat and its current owners plan to offer newly issued voting shares of Intelsat to the public and also may sell such shares through private placements.<sup>8</sup> Thereafter, current owners may reduce their shareholdings through market transactions or secondary offerings. The timing and volume of the Transactions depend upon prospects reflecting industry and company factors and general market conditions. After the Transactions, Intelsat anticipates that its shares will most likely be listed on a major U.S. stock exchange. The proceeds of the public offering will be used for general corporate purposes, including the repayment of portions of Intelsat's indebtedness.

### **D. Ownership of Intelsat Following the Transactions**

Following the Transactions, Intelsat will be owned by its existing owners (*i.e.*, BCP, SLP and other investors as noted above in Section B) plus the owners of the newly issued shares. The issuance of new shares and their subsequent purchase as part of the planned transactions will dilute the equity interests of Intelsat's current owners. Thereafter the shares of Intelsat will be publicly traded and Intelsat's current owners may elect to reduce further their ownership interests, including through follow-on secondary offerings to the public. The percentage of voting interest each shareholder then will have in Intelsat will depend on the number of common shares issued and sold, which as noted above is dependent on market prospects, and thus not currently ascertainable.

Intelsat anticipates, however, that it is likely that no single entity or individual will hold 50 percent or more of the voting equity of Intelsat after the Transactions. Also, in situations where control passes to the public shareholders, BCP would no longer control the vote of an

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<sup>8</sup> Prior to the consummation of the public offering, Intelsat Global Holdings S.A. will be renamed Intelsat S.A.

absolute majority of shares of Intelsat, either through indirect ownership of 50 percent or more of the equity in Intelsat or pursuant to its voting proxy from SLP.<sup>9</sup> The voting interests of other current owners of Intelsat, including SLP, Credit Suisse, Ridgemont Equity Partners and members of Intelsat management, will also be diluted and none would hold a ten percent or greater interest after the transfer of control contemplated in the Transactions. It is expected under most scenarios that the transfer of control for which approval is sought would result in holders of the new publicly-traded shares owning more than 40 percent of Intelsat. Intelsat will provide exact ownership percentages for all ten percent or greater shareholders in its notice of consummation following the proposed transfer of control.

**E. Governance and Management of Intelsat Following the Transactions**

Intelsat will continue to be governed by its board following the proposed offering. However, the composition and control of the Intelsat Board will change following the Transactions. Intelsat anticipates that the new Intelsat Board will have 8 members to be elected by shareholders at a general meeting. Shareholders will be entitled to one vote per common share at any general meeting. There will also be a governance agreement pursuant to which BCP and SLP, based on their share ownership in Intelsat, will be entitled to nominate a number of directors for election to the Intelsat Board. Based on the anticipated changes in ownership, however, there is a significant chance that the governance agreement will not empower BCP to continue to elect a majority of directors to the Intelsat Board.

The Transactions are not expected to result in the immediate replacement of any existing member of Intelsat's management. In particular, Mr. David McGlade will continue as Intelsat's

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<sup>9</sup> The voting proxy SLP III Investment Holding S.à r.l. will grant to Serafina S.A. (and its owner BCP) would not be operative if entities controlled by BCP and SLP collectively held less than 50 percent of the equity of Intelsat following the proposed offering. *See Intelsat Pro Forma, supra* note 1.

Chief Executive Officer and remain on the Intelsat Board. Attachment 2 provides a list of the officers of Intelsat and the Intelsat Licensees.

## **II. PUBLIC INTEREST ANALYSIS**

Pursuant to Sections 214(a) and 310(d) of the Act, the Commission must determine whether the proposed transfer of control would serve the public interest, convenience and necessity.<sup>10</sup> In making this determination, the Commission must first find that the proposed transaction complies with the specific provisions of the Communications Act, other applicable statutes, the Commission's rules, and federal communications policy.<sup>11</sup> The Commission next considers whether the proposed transaction would result in any public interest harm and employs a balancing test, weighing any public interest harms against the public interest benefits. The proposed transfer of control does not violate any law or rule, and, for the reasons discussed below, it will strongly promote the public interest.

*Reduction of Debt.* The planned issuance of new shares would provide an immediate capital infusion. The proceeds from the newly issued shares will enable Intelsat to repay a significant portion of its debt. The reduction of Intelsat's debt, enhancement of its working capital accounts and its access to the public equity markets will greatly enhance Intelsat's position in the competitive marketplace. The FCC previously has recognized that public

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<sup>10</sup> 47 U.S.C. §§ 214(a) and 310(d). *See, e.g., Intelsat, Ltd., Transferor, and Zeus Holdings Limited, Transferee, Consolidated Application for Consent to Transfers of Control of Holders of Title II and Title III Authorizations and Petition for Declaratory Ruling under Section 310 of the Communications Act of 1934, as Amended, Order and Authorization*, 19 FCC Rcd 24820, 24825 (¶ 14) (2004).

<sup>11</sup> *See, e.g., Constellation, LLC and Intelsat Holdings, Ltd. (Intelsat/PanAmSat Merger)*, Memorandum Opinion and Order, 21 FCC Rcd 7368, 7378 (¶ 17) (2006); *Verizon Communications Inc. and MCI Inc., Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, WC Docket No. 05-75, 20 FCC Rcd 18433, 18443 (¶ 16) (2005); *SBC Communications Inc. and AT&T Corp., Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, WC Docket No. 05-65, 20 FCC Rcd 18290, 18300 (¶ 16) (2005).

ownership of an FCC satellite licensee is likely to benefit the public interest by providing financial stability and by allowing it to reduce debt.<sup>12</sup>

*Management Continuity.* While the Transactions will result in significant new investment, Intelsat's current management structure would be preserved. As explained above, the proposed offering of common shares is not expected to result in the immediate replacement of any existing Intelsat officers. In particular, Mr. David McGlade will continue as Intelsat's Chief Executive Officer and will remain on the Intelsat Board. Continuity of Intelsat management will serve the public interest by ensuring that Intelsat continues to provide high quality services to existing and future customers.

*No Competitive Harm.* Moreover, the Transactions will not result in any competitive harm. Intelsat operates in a highly competitive communications marketplace. Intelsat's existing shareholders do not hold an attributable interest in any telecommunications, satellite, or media company serving any U.S. market that Intelsat also serves.<sup>13</sup> In addition, Intelsat does not expect that any entity holding a controlling interest in another satellite operator will acquire an attributable interest in Intelsat through the purchase of publicly-traded shares. It is thus highly unlikely that the Transactions would result in the consolidation of any satellite interests.

*Reduction in Foreign Ownership.* The proposed transfer of control of the Intelsat Licensees does not raise any foreign ownership concerns. As an initial matter, the foreign ownership provisions set forth in Section 310(a) and (b) of the Act are not applicable to the

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<sup>12</sup> See *Iridium Holdings LLC and GHL Acquisition Corp.*, Memorandum Opinion and Order and Declaratory Ruling, 24 FCC Rcd 10725, 10736 (¶ 26) (2009) ("Iridium GHL Order"); *Sirius Satellite Radio Inc., Application for Transfer of Control of Station Authorization*, Order, 18 FCC Rcd 215, 217 (¶ 7) (2003).

<sup>13</sup> *Intelsat-Serafina Order*, 22 FCC Rcd at 22158-59 (¶ 22).

Transactions.<sup>14</sup> No foreign government or its representative would hold any of the Intelsat radio licenses. Further, the Intelsat Licensees do not hold any common carrier, aeronautical or broadcast radio licenses. Additionally, the Transactions would reduce the total amount of foreign ownership in Intelsat. Intelsat likely will list its shares on a major U.S. stock exchange. The sale of these U.S. listed shares will reduce the existing amount of non-U.S. ownership in Intelsat held by entities controlled by BCP, a UK company organized under the laws of Guernsey.<sup>15</sup>

*Continuity of National Security Protections.* Finally, Intelsat reaffirms that the commitments and undertakings in the October 9, 2007 Letter to the Executive Branch Agencies attached as Attachment C to the *Intelsat-Serafina Order* will continue to be binding after the proposed transfer of control.<sup>16</sup>

For all of the forgoing reasons, Commission approval of the proposed transfer of control of the Intelsat Licenses will serve the public interest.

### **III. TREATMENT OF PENDING APPLICATIONS**

In addition to the licenses and authorizations identified in these applications, the Intelsat Licensees have various applications pending before the Commission, and prior to grant of these applications or consummation of the proposed transfer of control, may file additional applications, or have currently pending applications granted. Intelsat therefore requests that, consistent with Commission precedent, the grant of these applications include authority for the

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<sup>14</sup> 47 U.S.C. § 310(a) and (b).

<sup>15</sup> The FCC previously has found that only approximately 11 percent of publicly traded shares listed on the NYSE Amex were held by foreign individuals and entities. *See Iridium GHL Order*, 24 FCC Rcd at 10743-44 (¶ 41).

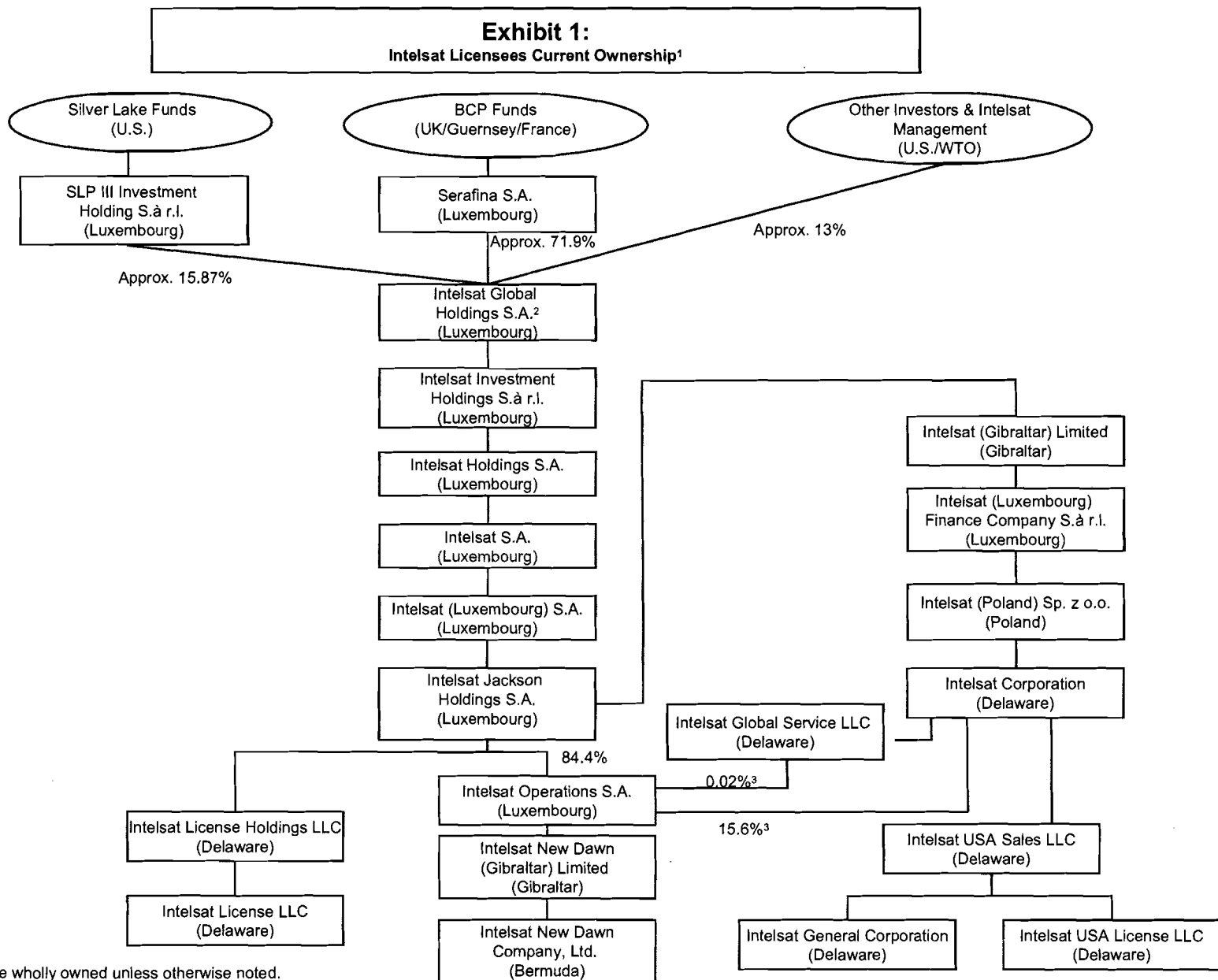
<sup>16</sup> *Intelsat-Serafina Order*, Attachment C.

transfer of control of: (i) all licenses and authorizations issued or assigned to the Intelsat Licensees during the pendency of the applications and prior to the consummation of any approved transaction; and (ii) all applications pending at the time of consummation of the proposed transfer of control. The Intelsat Licensees will supplement, as necessary, any filed applications that are pending upon the consummation of the proposed transfer of control to reflect the Intelsat Licensees' new ownership.<sup>17</sup>

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<sup>17</sup> See 47 C.F.R. § 1.65.

# **ATTACHMENT 1**



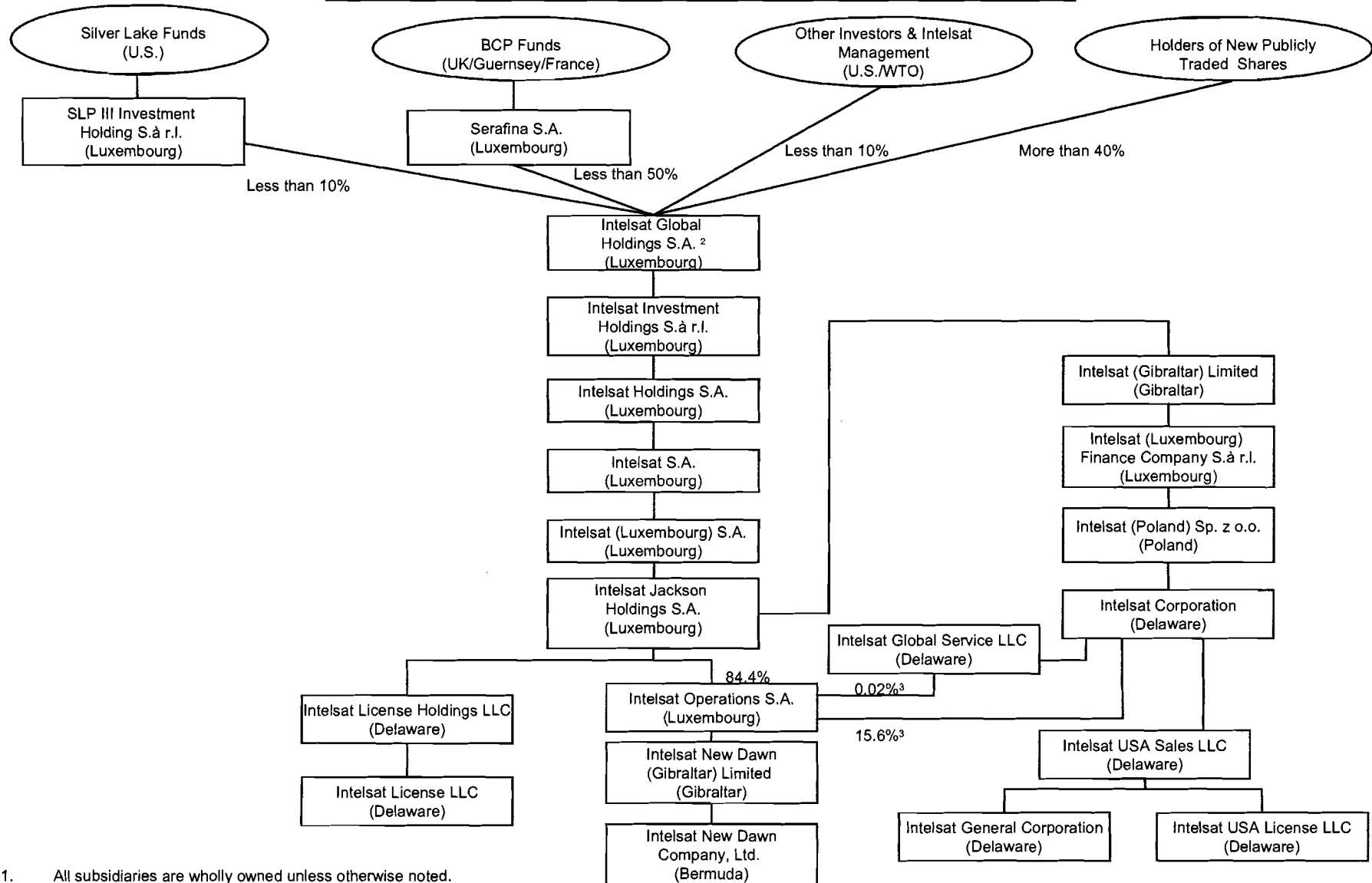
1. All subsidiaries are wholly owned unless otherwise noted.

2. Intelsat Global Holdings S.A. is the entity recently approved by the FCC to control indirectly the Intelsat Licensees pursuant to a *pro forma* corporate reorganization. This corporate reorganization has not yet been completed, but will be consummated prior to the Transactions contemplated by this application.

3. Intelsat Corporation and Intelsat Global Service LLC hold a 15.6% and a 0.02% economic interest, respectively, in Intelsat Operations S.A. They hold no voting interests or common shares in Intelsat Operations S.A. Previously, seventeen Delaware corporations (the "Sat HoldCos") that were wholly owned subsidiaries of Intelsat Corporation owned preferred equity certificates of Intelsat Operations S.A. All of the Sat HoldCos were merged into Intelsat Corporation on September 30, 2011. Intelsat Global Services LLC continues to hold 0.02% of the preferred equity certificates and Intelsat Corporation now holds the remaining preferred equity certificates.



**Exhibit 2:**  
**Intelsat Licensees Ownership Following The Transactions<sup>1</sup>**



1. All subsidiaries are wholly owned unless otherwise noted.
2. Intelsat Global Holdings S.A. is the entity recently approved by the FCC to control indirectly the Intelsat Licensees pursuant to a *pro forma* corporate reorganization. This corporate reorganization has not yet been completed, but will be consummated prior to the sale transactions contemplated by this application.
3. Intelsat Corporation and Intelsat Global Service LLC hold a 15.6% and a 0.02% economic interest, respectively, in Intelsat Operations S.A. They hold no voting interests or common shares in Intelsat Operations S.A. Previously, seventeen Delaware corporations (the "Sat HoldCos") that were wholly owned subsidiaries of Intelsat Corporation owned preferred equity certificates of Intelsat Operations S.A. All of the Sat HoldCos were merged into Intelsat Corporation on September 30, 2011. Intelsat Global Services LLC continues to hold 0.02% of the preferred equity certificates and Intelsat Corporation now holds the remaining preferred equity certificates.

**Attachment 2:**

**Officers, Directors and Ten Percent Shareholders  
Response to FCC Form 312, Questions 40 and A.20**

**Officers and Directors of the Intelsat Licensees**

The proposed transfer of control is not expected to result in the immediate replacement of any officer or director/manager of the Intelsat Licensees. The current officers and directors/managers of the Intelsat Licensees are:

**Intelsat License LLC**

*Officers:*

Michael McDonnell, Chairman  
Flavian Bachabi, Deputy Chairman  
Phillip Spector, Secretary  
Simon Van De Weg, Director, Finance

*Board of Managers:*

Michael McDonnell  
Flavian Bachabi  
Phillip Spector

**Intelsat New Dawn Company, Ltd.**

*Officers:*

Flavian Bachabi, Chairman and Chief Executive Officer  
Phillip Spector, Deputy Chairman and Assistant Secretary  
Simon Van De Weg, Assistant Secretary

*Directors:*

Flavian Bachabi  
Phillip Spector  
Simon Van De Weg  
Alison Dyer-Fagundo  
Tonesan Amissah

**Intelsat USA License LLC**

*Officers:*

Stephen Spengler, Chairman  
Kurt Riegelman, Vice President  
Paul Konort, Vice President, Contracts  
Patricia Casey, Secretary

*Board of Managers:*

Kurt Riegelman

Patricia Casey

**Intelsat General Corporation**

*Officers:*

Kay Sears, President

Richard Dalbello, Vice President Legal and Government Affairs & Secretary

Dean Kremer, Assistant Secretary

Mark Michalowski, Treasurer

*Directors:*

Kay Sears

Mark Michalowski

Richard Dalbello

Robert Reynolds

S. Robert Foley

J. Kenneth Driessen

**Officers and Directors of Intelsat Global Holdings S.A. (the "Transferee")**

The proposed transfer of control is not expected to result in the immediate replacement of any officer of Intelsat Global Holdings S.A. The current officers of Intelsat Global Holdings S.A. are:

*Officers:*

David P. McGlade, Chief Executive Officer

Michael McDonnell, Executive Vice President & Chief Financial Officer

Phillip Spector, Executive Vice President, General Counsel, and Assistant Secretary

The current directors of Intelsat Global Holdings S.A. are:

*Current Directors:*

Raymond Svider, Chairman

Egon Durban

David McGlade, Deputy Chairman

Justin Bateman

Dave Roux

Denis Villafranca

Intelsat anticipates that following the proposed transfer of control the Intelsat Board will have 8 members to be elected by shareholders at a general meeting. Shareholders will be entitled to one vote per common share at any general meeting. Mr. David McGlade, Chief Executive Officer, is expected to remain on the Intelsat Board.

**Ten Percent or Greater Shareholders of Intelsat Global Holdings S.A. (the “Transferee”)**

Following the proposed transfer of control, the following entities are expected to hold a direct or indirect ten percent or greater interest in Intelsat Global Holdings S.A.:<sup>1</sup>

**Direct Ten Percent or Greater Ownership:**

Name:	Serafina S.A.
Principal Business:	Holding Company
Address:	29, avenue de la Porte Neuve L-2227 Luxembourg
Citizenship:	Luxembourg
Direct Interest:	Less than 50% (voting and equity)

**Indirect Ten Percent or Greater Ownership:**

Name:	BCP Funds <sup>2</sup>
Principal Business:	Investment Funds
Address:	40 Portman Square W1H6DA London
Citizenship:	United Kingdom, France, and Guernsey <sup>3</sup>
Indirect Interest:	Less than 50% (voting and equity)

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<sup>1</sup> The exact percentage will depend on the number of common shares issued and sold, which is dependent on market prospects, and thus not currently ascertainable. Intelsat will provide exact ownership percentages for all ten percent or greater shareholders in its notice of consummation following the proposed transfer of control.

<sup>2</sup> The term “BCP Funds” refers to forty-one investment funds ultimately controlled by BC Partners Holdings Limited (“BCP”).

<sup>3</sup> The Bailiwick of Guernsey is a British Crown Dependency located in the Channel Islands within the jurisdiction of the United Kingdom. The Commission treats Guernsey as the functional equivalent of a WTO Member country. *Intelsat, Ltd., Transferor, and Zeus Holdings Limited, Transferee, Consolidated Application for Consent to Transfers of Control of Holders of Title II and Title III Authorizations and Petition for Declaratory Ruling under Section 310 of the Communications Act of 1934, as Amended, Order and Authorization*, 19 FCC Rcd 24820, 24848 (2004) (ascribing interests in Guernsey to “the United Kingdom, a WTO Member country”); *Petition of Telcove, Inc. for a Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act of 1934, as Amended*, 21 FCC Rcd 3982 (2006) (treating the Channel Islands as a WTO Member).

Name: CIE Management II Limited  
Principal Business: Investment Manager  
Address: Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3QL  
Citizenship: Guernsey  
Indirect Interest: Less than 50% (voting and equity)

Name: BC Partners Holdings Limited  
Principal Business: Investment Firm  
Address: Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3QL  
Citizenship: Guernsey  
Indirect Interest: Less than 50% (voting and equity)

### **Attachment 3:**

#### **Previously Revoked Authorization – Response to FCC Form 312 Question 36**

The Intelsat Licensees have never had an FCC license “revoked.” However, on June 26, 2000, the International Bureau “cancelled” two Ka-band satellite authorizations issued to a former Intelsat entity, PanAmSat Licensee Corp. (“PanAmSat”),<sup>1</sup> based on the Bureau’s finding that PanAmSat had not satisfied applicable construction milestones.<sup>2</sup> In that same order, the Bureau denied related applications to modify the cancelled authorizations. PanAmSat filed an application for review of the Bureau’s decision, which the Commission denied, and subsequently filed an appeal with the United States Court of Appeals for the District of Columbia Circuit, which was dismissed in January 2003 at PanAmSat’s request. Notwithstanding the fact that the Bureau’s action does not seem to be the kind of revocation action contemplated by question 36, Intelsat is herein making note of the decision in the interest of absolute candor and out of an abundance of caution. In any event, the Bureau’s action with respect to PanAmSat does not reflect on Intelsat’s basic qualifications, which are well-established and a matter of public record.

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<sup>1</sup> All licenses previously held by PanAmSat Licensee Corp. have been assigned to Intelsat License LLC. See IBFS File Nos. SAT-ASG-20101203-00252 (granted Dec. 23, 2010), SES-ASG-20101203-0150 (granted Dec. 20, 2010), and SES-ASG-20101206-01502 (granted Dec. 20, 2010).

<sup>2</sup> See *PanAmSat Licensee Corp.*, Memorandum Opinion and Order, 15 FCC Rcd 18720 (IB 2000).

**ANSWER TO QUESTION 10 – Section 63.18(c)-(d):**

- (c) Correspondence concerning this application should be sent to:

Susan Crandall  
Intelsat Corporation  
3400 International Drive, NW  
Washington DC 20008  
Telephone: 202-944-7848  
Facsimile: 202-944-7870

With a copy to:

Bert W. Rein  
Jennifer D. Hindin  
Wiley Rein LLP  
1776 K Street, NW  
Washington, DC 20006  
Telephone: 202-719-7000  
Facsimile: 202-719-7049

- (d) Intelsat General Corporation holds the authorization that is the subject of this transfer application, File No. ITC-214-20040528-00213 (authorizing global facilities-based and resale services), modified by ITC-MOD-20050329-00170 (prohibiting the provision of common carrier switched services without additional FCC approval).

Intelsat Global Holdings S.A. (the “Transferee”) does not hold any international Section 214 authorizations.

**ANSWER TO QUESTION 11 – Section 63.18(h)**

- (h) Following the proposed transfer of control, the following entities are expected to hold a direct or indirect ten percent or greater interest in Intelsat Global Holdings S.A.:<sup>1</sup>

**Direct Ten Percent or Greater Ownership:**

Name:	Serafina S.A.
Principal Business:	Holding Company
Address:	29, avenue de la Porte Neuve L-2227 Luxembourg
Citizenship:	Luxembourg

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<sup>1</sup> The exact percentage will depend on the number of common shares issued and sold, which is dependent on market prospects, and thus not currently ascertainable. Intelsat will provide exact ownership percentages for all ten percent or greater shareholders in its notice of consummation following the proposed transfer of control.

Direct Interest: Less than 50% (voting and equity)

**Indirect Ten Percent or Greater Ownership:**

Name: BCP Funds<sup>2</sup>  
Principal Business: Investment Funds  
Address: 40 Portman Squar  
W1H6DA London  
Citizenship: United Kingdom, France, and Guernsey<sup>3</sup>  
Indirect Interest: Less than 50% (voting and equity)

Name: CIE Management II Limited  
Principal Business: Investment Manager  
Address: Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3QL  
Citizenship: Guernsey  
Indirect Interest: Less than 50% (voting and equity)

Name: BC Partners Holdings Limited  
Principal Business: Investment Firm  
Address: Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3QL  
Citizenship: Guernsey  
Indirect Interest: Less than 50% (voting and equity)

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<sup>2</sup> The term "BCP Funds" refers to forty-one investment funds ultimately controlled by BC Partners Holdings Limited ("BCP").

<sup>3</sup> The Bailiwick of Guernsey is a British Crown Dependency located in the Channel Islands within the jurisdiction of the United Kingdom. The Commission treats Guernsey as the functional equivalent of a WTO Member country. *Intelsat, Ltd., Transferor, and Zeus Holdings Limited, Transferee, Consolidated Application for Consent to Transfers of Control of Holders of Title II and Title III Authorizations and Petition for Declaratory Ruling under Section 310 of the Communications Act of 1934, as Amended, Order and Authorization*, 19 FCC Rcd 24820, 24848 (2004) (ascribing interests in Guernsey to "the United Kingdom, a WTO Member country"); *Petition of Telcove, Inc. for a Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act of 1934, as Amended*, 21 FCC Rcd 3982 (2006) (treating the Channel Islands as a WTO Member).



**ANSWER TO QUESTION 13 – Narrative for Transfer of Control and Public Interest Statement**

This application is one of several simultaneously filed applications seeking Federal Communications Commission (“FCC”) consent to a transfer of control of all of the licenses and authorizations (the “Intelsat Licenses”) held by Intelsat License LLC, Intelsat New Dawn Company, Ltd., Intelsat USA License LLC and Intelsat General Corporation (collectively the “Intelsat Licensees”) pursuant to a public offering of newly issued voting shares by Intelsat Global Holdings S.A. (“Intelsat” or the “Applicant”), possible private placements of newly issued voting shares and subsequent voting share sales by current shareholders (the “Transactions”).<sup>4</sup> For a complete description of the parties to the transaction, the proposed transaction, and the public interest rationale for the transaction, please refer to the attached Intelsat Application for Transfer of Control.

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<sup>4</sup> Intelsat Global Holdings S.A. is the entity recently approved by the FCC to control indirectly the Intelsat Licensees pursuant to a *pro forma* corporate reorganization. See *Intelsat Application for Pro Forma Transfer of Control*, File Nos. SAT-T/C-20110810-00160, SAT-T/C-20110811-00161, SES-T/C-20110811-00948, SES-T/C-20110812-00963 (granted Oct. 13, 2011), and 0004825139 (granted Oct. 19, 2011) (“*Intelsat Pro Forma*”). This corporate reorganization has not yet been completed, but will be consummated prior to the Transactions contemplated by this application.